

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

23 June 1976

Executive Registry

76-8318

The Honorable Daniel K. Inouye, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

At our session last Wednesday, you asked me for my views on the desirability of separating the Director of Central Intelligence from the Central Intelligence Agency, placing the latter under a separate statutory Director. As you may be aware, this question was intensively debated within the Executive Branch in the period leading up to the President's issuance of E.O. 11905. The decision, in which I emphatically concur, was against such a separation.

Possible arguments in favor of a separation were suggested by the Senate Select Committee in its final report (Book I, page 449). In paraphrase, they are as follows:

- That the responsibilities placed on the DCI to coordinate the Intelligence Community and to manage CIA are too demanding for one man.
- That the necessity for the DCI to be both arbiter of the Community and advocate of CIA positions places him in a conflict of interest.
- That a separate Director for CIA, without Community-wide responsibilities, would make CIA more "accountable."

I appreciate the concerns that prompted the Senate Select Committee to recommend that further consideration be given to the question. Its concerns, however,

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have not been ignored. On the contrary, E.O. 11905 takes account of them in ways that in my view are clearly preferable to a separation of the DCI and CIA.

In the Order, the Executive Branch recognized that the DCI's management sphere would become too broad if his responsibilities were enlarged to include the direction of the Intelligence Community and no other adjustments were made. Accordingly, it took two steps to meet this problem, first by formally establishing a new position of Deputy to the DCI for the Intelligence Community, thus creating a true second Deputy, and second by requiring a maximum delegation of CIA management responsibility to the Deputy Director of Central Intelligence. The Executive Order thus created an arrangement whereby the DCI would act primarily as the President's intelligence officer, looking outward to the President, the NSC, Congress, and even the public, while his Deputies look inward to carry out the policies that he sets.

I have followed the Executive's intent by selecting two strong individuals as Deputies. Upon Mr. Knoche's confirmation I will rely on him to relieve me from the day-to-day task of managing CIA. Admiral Murphy, whose acquisition of a fourth star also reflects the clear intent to upgrade the Community Deputy, is already functioning in that capacity.

The Executive Order also recognized the existence of a conflict of interest problem and took appropriate corrective measures. In this regard, however, it made an important distinction that does not appear in the analysis of the Senate Select Committee. It distinguished between resource allocation decisions, as to which the DCI's dual role of arbiter and advocate would create a serious conflict situation absent some new arrangements, and substantive intelligence assessments, as to which it seems to me that there is no conflict, apparent or real.

In respect of resource allocation decisions, E.O. 11905 vested authority in the Committee on Foreign Intelligence, advisory not to the DCI but to the President through the NSC. The DCI is chairman of the organization. Individual program managers, including the Deputy Director Central Intelligence (Agency) representing CIA, will appear before the CFI to defend their budgetary requests. I intend in this process to be as impartial as human nature will permit.

In the area of substantive judgments, on the other hand, the situation is quite different. The Executive Order leaves the DCI free to determine how he will arrange for the production of national intelligence in support of the President and his advisers. I will look to the National Intelligence Officers as my staff for the production and coordination of national intelligence assessments. To advise me in carrying out this responsibility, I have established the National Foreign Intelligence Board.

CIA, of course, is responsible by law for the "correlation and evaluation of intelligence relating to the national security" and will continue to be the leading organization in the production of national, objective intelligence. For this reason the DCI needs a direct and intimate line of control to CIA. To balance this, I have reaffirmed the right of any member of NFIB to dissent from its judgments, a provision which to my mind deals with any potential conflict of interest.

To me the third argument, relating to accountability, misses the mark. There is no question that American intelligence should be more accountable in the future than it has been in the past. I submit that this accountability can be achieved through the functioning of your own Committee and through the measures taken in E.O. 11905. Most important, however, it depends on the selection of leaders who understand their responsibilities to the nation, not only to carry out their mission, but to do so within a Constitutional framework. I intend to see that this is done. On the other hand, I see little gain in accountability and much loss in efficiency through fragmentation of intelligence organization.

Of course, the changes called for by the Executive Order are not a perfect solution to the problems noted by the Select Committee. They represent a compromise between the recognized need to do something about these problems and the equally important need to maintain the DCI's authority if he is to carry out successfully the tasks assigned to him. It is quite true that his authority derives in large measure from his access to the President and from Presidential confidence in him. But in the real world, I believe, that authority must be underpinned by an institutional base, and specifically by three elements provided by CIA.

--CIA's analytic capabilities provide the DCI an independent means to produce objective assessments. Without them he has no way of verifying the output of departmental agencies.

--CIA's research and development activities ensure that new technology is fully exploited for intelligence use and that promising developments need not take second place to military operational requirements.

--CIA's overseas operations put the DCI in a position to meet the NSC's requirements, especially those of an emergency nature, whether they be for information, for message-carrying, or for some form of special activity.

It can be argued that separation of the DCI from CIA would not deprive him of these powers. The key question, however, is to whom would a Director of CIA report? If he reports to the NSC through the DCI, then there is a distinction without a difference. The situation would essentially be the same as that established by E. O. 11905, with management of CIA delegated to a statutory Deputy. But if he reports directly to the NSC, then there is established a powerful rival to the DCI. Either the DCI would have to develop some capabilities of his own (and we do not need any more intelligence agencies) or he would gradually be bypassed by the Director of CIA, who is able to deliver the assessments and services the NSC requires. In the process, the goal of providing better and stronger management of intelligence resources would be sacrificed.

E.O. 11905, in establishing the primacy of the DCI's responsibilities to the President and over national programs while directing him to delegate day-to-day management of CIA to a Deputy Director, represents a compromise, but I think a constructive and practical one. We have not yet completed reorganizing to carry it out. I strongly urge that we be given time to demonstrate that it will work before further changes are considered.


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In respect of resource allocation decisions. E.O. 11905 vested authority in the Committee on Foreign Intelligence, advisory not to the DCI but to the President through the NSC. The DCI is Chairman ~~is chairman~~ of the organization first among equals, but the important interests of the Department of Defense are recognized. Moreover, the CFI is to be a corporate body. Neither the DCI nor the Deputy Secretary of Defense are to be advocates of programs. Rather the individual program managers, including the Deputy Director of Central Intelligence, representing CIA, will appear before the CFI to defend their budgetary requests. I intend in this process to be as impartial as human nature will permit.

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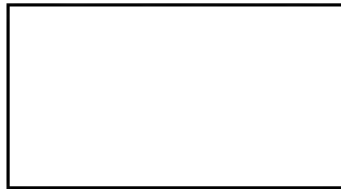
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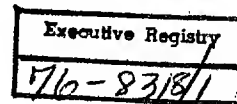
(Agency),

George Bush

Executive Order)
Most Sincerely,



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6-23-76

THE DIRECTOR OF CENTRAL INTELLIGENCE

Mr Chairman -

Here it is.

I feel strongly
on this point, but
do feel we should
look at it again after
a year or so under
the new set up
(as called for under the

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